

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING: DOCKET NO. VGOB 06/06/20-1655-01

ELECTIONS, UNIT: V-503180

(hereinafter "Subject Drilling Unit")

TAX MAP IDENTIFICATION NUMBERS:

TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS  
AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBIT (S) \_  
\_B\_ WHICH IS/ARE ATTACHED TO AND A PART  
OF THIS ORDER.

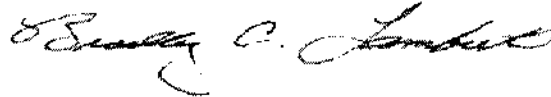
REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on October 17, 2006, and recorded in Book 435, Page 224 at the Office of the Clerk of Circuit Court, Dickenson County, Virginia on February 27, 2007, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
  - (a) The Board Order directed Equitable Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
  - (b) The designated operator filed its affidavit of mailing dated March 19, 2007, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;

- (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated July 9, 2007, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;
  - (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
  - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Wachovia Bank, N. A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (888) 396-0853, Attn: Judy Barger, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, N. A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (888) 396-0853, Attn: Judy Barger, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
  4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
  5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
  6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 12 day of June, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 12 day of June, 2013 by Order of the Virginia Gas and Oil Board.



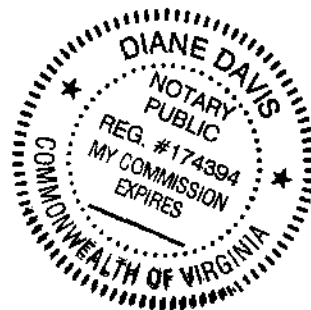
Rick Cooper  
Principal Executive to the  
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 12<sup>th</sup> day of June 2013, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.

  
Diane J. Davis, Notary Public  
174394

My Commission expires: September 30, 2013



VIRGINIA:

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number V-503180 VGOB Docket No. VGOB-06/06/20-1655-01 in the Willis Magisterial District of Dickenson County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on October 17, 2006, by the Virginia Gas and Oil Board regarding the captioned Conventional Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on February 27, 2007.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

TRACT  
6 & 7

NAME  
Chesapeake Appalachia, LLC-Lessee  
Attn: Kathy Watson  
P.O. Box 6070  
Charleston, West Virginia 25362

ELECTION  
Participate

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, as unknown ownership to the gas estate:

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>NET REVENUE INTEREST</u>
5	Gallie Friend, Trustee of the Estate of Yellow Poplar Lumber Company Unknown	Unleased	0.00761250

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.

NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

<u>TRACT</u>	<u>LESSOR</u>	<u>CASH CONSIDERATION</u>
3	Clint Owens and Tammy Owens Rt 1, Box 132 B Haysi, VA 24256	0.0300 X \$5.00 = \$0.15
5	Gallie Friend, Trustee of the Estate of Yellow Poplar Lumber Company Unknown	6.8600 X \$5.00 = \$34.30

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

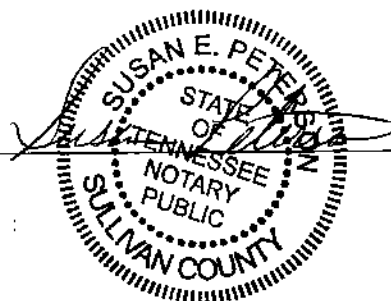
Dated at Kingsport, Tennessee, this 10<sup>th</sup> day of July 2007.

  
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable  
Production Company, a corporation, on behalf of the corporation, this 10<sup>th</sup> day of  
July 2007.

My commission expires: 11-12-08

Notary



**EXHIBIT "B"**  
**V-503180**  
 REVISED 05-30-07

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>
<b><u>Gas Estate Only</u></b>					
1 TAX ID 12190	Lorreign H. Martin 10635 Indian Creek Road Pound, Virginia 24279	Leased - EPC 245257L	86.91000000%	97.9400	0.10863750 RI
	Equitable Production				0.76046250 WI
<b>Tract 1 Totals</b>			<b>0.86910000</b>	<b>97.9400</b>	<b>0.86910000</b>
2 TAX ID 09135	Carl J. Garrett and Wanda Lee Garrett, H/W Route 1, Box 38 Haysi, Virginia 24256	Leased - EPC 906503	0.96000000%	1.0900	0.00120000 RI
	Equitable Production				0.00840000 WI
<b>Tract 2 Totals</b>			<b>0.00960000</b>	<b>1.0900</b>	<b>0.00960000</b>
3 TAX ID 21144	Clint Owens and Tammy Owens Rt 1, Box 132 B Haysi, VA 24256	Unleased	0.03000000%	0.0300	0.00003750 RI
	Equitable Production				0.00026250 WI
<b>Tract 3 Totals</b>			<b>0.00030000</b>	<b>0.0300</b>	<b>0.00030000</b>
4 TAX ID 09136	Carl J. Garrett and Wanda Lee Garrett, H/W Route 1, Box 38 Haysi, Virginia 24256	Leased - EPC 906503	0.35000000%	0.3900	0.00043750 RI
	Equitable Production				0.00306250 WI
<b>Tract 4 Totals</b>			<b>0.00350000</b>	<b>0.3900</b>	<b>0.00350000</b>
5 TAX ID 20950	Gallie Friend, Trustee of the Estate of Yellow Poplar Lumber Company Unknown	Unleased	6.09000000%	6.8600	0.00761250 RI
	Equitable Production				0.05328750 WI
<b>Tract 5 Totals</b>			<b>0.06090000</b>	<b>6.8600</b>	<b>0.06090000</b>
6 TAX ID 20122	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC By Agreement With Chesapeake Appalachia, LLC	0.28000000%	0.3200	0.00000000 RI
	*Chesapeake Appalachia, LLC-Lessee Attn: Kathy Watson P.O. Box 6070 Charleston, West Virginia 25362				0.00280000 WI
	Equitable Production				0.00000000 WI
<b>Tract 6 Totals</b>			<b>0.00280000</b>	<b>0.3200</b>	<b>0.00280000</b>

7	Pine Mountain Oil & Gas, Inc.	Leased-EPC	3.45000000%	3.8900	0.00000000 RI
TAX ID 20121	ATTN: Jerry Grantham	By Agreement			
	P.O. Box 2136	With Chesapeake Appalachia, LLC			
	Abingdon, VA 24212				
	*Chesapeake Appalachia, LLC-Lessee				0.03450000 WI
	Attn: Kathy Watson				
	P.O. Box 6070				
	Charleston, West Virginia 25362				
	Equitable Production				0.00000000 WI
Tract 7 Totals			0.03450000	3.8900	0.03450000
8	Andrew J. Mullins III and	Leased-EPC	0.96500000%	1.0850	0.00120625 RI
TAX ID	Vonetta Gail Mullins, H/W	By Agreement			
MINERAL ONLY	Route 3, Box 125-M	With Appalachian Energy, Inc.-Lessee			
	Clintwood, Virginia 24228				
	Ernest Mark Mullins and	Leased-EPC	0.96500000%	1.0850	0.00120625 RI
	Amy Leigh Mullins, H/W	By Agreement			
	P.O. Box 279	With Appalachian Energy, Inc.-Lessee			
	Clinchco, Virginia 24226				
	*Appalachian Energy, Inc.-Lessee				0.00060313 ORRI
	P.O. Box 2406				
	Abingdon, Virginia 24212				
	Equitable Production				0.01628437 WI
Tract 8 Totals			0.01930000	2.1700	0.01930000
	Total Gas Estate		100.00000000%	112.6900	1.00000000

RECORDED IN THE CLERK'S OFFICE OF  
CLINTON COUNTY  
AUGUST 27, 2013 AT 1:33PM

RICHARD W. EDWARDS, JR.  
RECORDED BY US

Recorded on August 27, 2013 at 1:33PM